

# **EDMONDS CITY COUNCIL APPROVED MINUTES**

## **November 27, 2012**

The Edmonds City Council meeting was called to order at 6:45 p.m. by Mayor Earling in the Council Chambers, 250 5<sup>th</sup> Avenue North, Edmonds. The meeting was opened with the flag salute.

### **ELECTED OFFICIALS PRESENT**

Dave Earling, Mayor  
Strom Peterson, Council President  
Frank Yamamoto, Councilmember  
Joan Bloom, Councilmember  
Kristiana Johnson, Councilmember  
Lora Petso, Councilmember  
Adrienne Fraley-Monillas, Councilmember  
Diane Buckshnis, Councilmember

### **STAFF PRESENT**

Stephen Clifton, Community Services/Economic Development Director  
Phil Williams, Public Works Director  
Shawn Hunstock, Finance Director  
Carrie Hite, Parks & Recreation Director  
Rob Chave, Planning Manager  
Carl Nelson, CIO  
Rob English, City Engineer  
Jerry Shuster, Stormwater Eng. Program Mgr.  
Kernen Lien, Senior Planner  
Jeff Taraday, City Attorney  
Sandy Chase, City Clerk  
Jana Spellman, Senior Executive Council Asst.  
Jeannie Dines, Recorder

### **1. ROLL CALL**

City Clerk Sandy Chase called the roll. All Councilmembers were present.

### **2. MEET WITH CANDIDATE FOR APPOINTMENT TO THE SISTER CITY COMMISSION.**

At 6:47 p.m., Mayor Earling announced that the City Council would meet with a candidate for appointment to the Sister City Commission. He stated that the meeting was scheduled to last approximately 15 minutes and would be held in the Jury Meeting Room, located in the Public Safety Complex. He announced that the meeting with the candidate was open to the public. Elected officials present were: Mayor Earling, and Councilmembers Yamamoto, Johnson, Fraley-Monillas, Buckshnis, Peterson, Petso and Bloom. The meeting with the candidate concluded at 6:59 p.m.

Mayor Earling reconvened the City Council meeting in the Council Chambers at 7:00 p.m. and led the flag salute.

### **3. APPROVAL OF AGENDA**

**COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE AGENDA. MOTION CARRIED UNANIMOUSLY.**

### **4. APPROVAL OF CONSENT AGENDA ITEMS**

**COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY.**  
**The agenda items approved are as follows:**

- A. APPROVAL OF CLAIM CHECKS #135520 THROUGH #135609 DATED NOVEMBER 21, 2012 FOR \$656,798.15 (REPLACEMENT CHECK #135584 \$200.00). APPROVAL OF PAYROLL DIRECT DEPOSIT & CHECKS #51801 THROUGH #51813 AND CHECK #51968 FOR \$483,976.58, BENEFIT CHECKS #51814 THROUGH #51821 AND WIRE PAYMENTS OF \$231,012.87 FOR THE PERIOD NOVEMBER 1, 2012 THROUGH NOVEMBER 15, 2012.
- B. APPROVAL OF PAYMENTS FOR HOLIDAY BUY BACK DAYS (CHECK #51873 THROUGH #51928) FOR LAW ENFORCEMENT COMMISSIONED EMPLOYEES & LAW ENFORCEMENT SUPPORT SERVICE EMPLOYEES IN THE AMOUNT OF \$134,224.84, RETROACTIVE PAY (CHECK #51822 THROUGH #51872) AND KELLY BUY BACK (CHECK #51929 THROUGH #51967) FOR LAW ENFORCEMENT COMMISSIONED EMPLOYEES IN THE AMOUNTS OF \$45,205.09 AND \$40,555.09, RESPECTIVELY PER UNION CONTRACTS.
- C. ACKNOWLEDGE RECEIPT OF A CLAIM FOR DAMAGES FROM DONALD B. GOLDSMITH (\$2,528.64).
- D. CONFIRMATION OF SISTER CITY COMMISSION CANDIDATE ROY OLITT.
- E. VOLUNTARY SEPARATION INCENTIVE PROGRAM (VSIP) SEPARATION AGREEMENTS.

## 5. AUDIENCE COMMENTS

**Joann Ottness, Edmonds**, a 30 year Edmonds resident who has been involved with the Edmonds Arts Commission for the last 5 years, spoke to the importance of keeping the Community Cultural Plan and the PROS Plan integrated and updated at the same time. One of the reasons this is important is because what is being done is working. She cited arts projects that will improve Edmonds such as the SR 99 lighting enhancement project, the flower basket poles in downtown Edmonds, and the future Dayton Street Plaza. Merging the two plans makes a whole, allows for a more cohesive way of doing things and provides a better basis for moving projects forward.

**Darlene McLellan, Edmonds**, referred to last week's suggestion that the Cultural Arts Plan update not be funded. She acknowledged that significant cuts have already been made to the arts in the 2013 budget, and urged the Council to support funding the vital cultural planning process noting Edmonds is an arts community. This planning is valuable for the community as a whole and enables everyone to look forward as well as back. Having been a participant since the first Cultural Plan was developed in the mid-1990s, she knows the value of evaluating changes and keeping the community involved in a timely manner. Keeping the update process in sync with the PROS Plan provides a recurring opportunity for the entire community to be involved and to be a part of the decision making. She cited the highly successful Hazel Miller Plaza as an example of how having community plans in place with expressed desire for more downtown gathering spaces with art amenities helped that plaza become a reality.

**Donna Breske, Snohomish**, explained she and her husband purchased property at 9330 218<sup>th</sup> Street SW in 2007 for \$227,000 and have been unable to develop it due to the City's onerous requirements. As part of the building permit application, they were pushed into an appeal to the Hearing Examiner in an attempt to obtain relief from the City's demands that the lot become the stormwater repository for the surrounding 2.5 acres of the plat of Westgate Village. They were unsuccessful before the Hearing Examiner; that decision was subsequently upheld by the higher court. They did not agree with the decision but recognized the court had spoken. They responded by submitting a creative engineering design in order to accept the runoff from the 2.5 acres. However, the City's engineer Rob English did not recognize the court's binding decision; his response to their design was to significantly increase the target to 6.5 acres,

ignoring the court's binding decision. They are unable to meet this new target without flooding the homeowner to the west and therefore let the building permit application expire which means the associated court decision for the lot to be a stormwater repository also terminated since the decision is tied to the specific permit application. Five years after purchasing the lot, the same disregard for constitutional rights continues from Public Works Director Phil Williams who stated as a condition of building permit issuance they must divert City stormwater onto their lot to the maximum extent practicable. This is a taking, a violation of their 5<sup>th</sup> Amendment rights. She questioned why Mr. Williams did not recognize the law and why the Council and Mayor allowed him to disregard the US Constitution. The City's code, section 23.40.210.A.2.c, states reasonable economic use shall liberally be construed to protect the constitutional property rights of the applicant. Between Mr. English's disregard for a binding court decision and Mr. Williams' disregard to the US Constitution, they do not have a chance of obtaining any reasonable economic use of this lot. She asked for the Council's and Mayor's help.

**Al Rutledge, Edmonds**, thanked the Hazel Miller Foundation for their donation to those in need. Next, he referred to plans to construct a Costco at Alderwood Mall. Costco purchased half the site 3 years ago and are in the process of obtaining permits to build a store. He commented on the effect that 200 additional stores in Lynnwood will have on the City, particularly the area of Lynnwood that is close to Edmonds' border. He suggested the City attract people from Lynnwood by locating businesses in Edmonds that are not found in Lynnwood.

**Dave Page, Edmonds**, assumed the 2013 budget would be passed basically with the amounts the Mayor proposed. He pointed out that based on the Mayor's recommended cuts, the City will be operating with fewer police officers and less civic funding. This is just the beginning if nothing is done, but further cuts are not the solution. He pointed out the loss of funding in 2001 via Tim Eyman's initiatives, the reduction in license tab fees and the 1% cap on property tax increases. The rate of inflation in Edmonds since 2001 has been 2-3%; the 1% limit on property tax increases has resulted in the City going backward for the past 10 years. In the 2013 budget, the City "hit the fiscal cliff;" there is nowhere else to go. The City will soon go into deficit spending and there is nowhere to get money except economic development which will take years. He noted the City was bailed out in 2003 by the incredible increase in real estate prices. He referred to last year's failed levies and the argument against future levies because the people have spoken. When those levies were put on the ballot, the Council was divided and only one Councilmember voted for all three levies. He recommended everyone pay a little more for the terrific city they live in via a tax increase.

**6. RESOLUTION INITIATING A PROPOSAL FOR A BUSINESS IMPROVEMENT DISTRICT WITHIN A PORTION OF THE CITY OF EDMONDS.**

Community Services/Economic Development Director Stephen Clifton explained over the past few years, a Business Improvement District (BID) Committee has been meeting to discuss various steps necessary to create a BID. The committee is now requesting the City Council adopt a resolution initiating a proposal for an Edmonds Downtown BID. This is only the first step in a public process that will eventually include public hearings on this topic. The Council packet contains information related to the BID Committee's request, specifically an Edmonds BID Committee Report to the City Council, a BID Committee PowerPoint outline, a map depicting the Edmonds Downtown BID boundary, a map depicting the proposed Edmonds Downtown BID boundary and existing zoning, and a draft resolution initiating a proposal for an Edmonds Downtown BID. The BID Committee's report is structured to provide the Council a broad overview of BIDs and includes information regarding the Edmonds Downtown BID related activities, the proposed organizational structure, assessment rates, programs and services, BID boundaries and next steps.

**David Arista, Arista Wine Cellars**, explained Arista Wine Cellars recently celebrated its 15 year anniversary in Edmonds. A member of the Edmonds Downtown BID Organizing Committee, he thanked

the Council for listening to their presentation, relaying this is a very important piece for the downtown business district. He encouraged the Council to approve the resolution to initiate the creation of a BID. He introduced Pam Stuller, Walnut Street Coffee, and Ken Grant, Motivated Branding, who, along with him, will present information related to the request to create a BID. He introduced other members of the volunteer organizing committee, Robert Boehlke, Housewares; Mary Kay Sneeringer, Edmonds Bookshop; Jenny Shore, The Wooden Spoon; and Kim and Brick Wall, Reliable Flooring.

Mr. Arista explained the reason they are here is:

- To encourage the City Council to approve the resolution to initiate the downtown Edmonds Business Improvement District (BID).
- All service and retail businesses will benefit.
- The BID is needed because of competition from cities, the internet, and the malls.
- Competitors have large budgets, the downtown business district has no budget.
- A BID has the ability to strengthen downtown businesses and build a stronger sense of community.
- “My barber is down the street. My lawyer is my next-door neighbor. My accountant is three doors down. My chiropractor is up the street. My bank is down the alley.” We’re all in this together, and together, we have the ability to create a thriving business district

Mr. Arista explained a BID is a self-funding mechanism to improve a town’s vitality, a powerful tool that allows for an assessment on businesses within a defined area. Funds collected are used for the benefit of businesses being assessed. The BID is sustainable, producing a set amount of money to fund programs such as parking, beautification, maintenance, marketing and recruiting new businesses. They are not asking the City for any money and do not want to rely on the City to keep the downtown vibrant, preferring to do that themselves.

He described the origin and growth of BIDs:

- Concept began in the 1970s.
- Gained wide popularity during the 1990s.
- There are 1100 BIDS in the United States and more in Canada and overseas.
- Across the country, downtowns began to realize they could compete and survive by collaborating.
- The scope of services provided by a BID can vary based on the needs of the community.
- Goal 2, Policy 2e of the Edmonds Economic Development Plan states: “Explore options such as Business Improvement Districts/Areas (special assessment districts) as a way to help shopping areas fund marketing and beautification in a sustainable fashion.”

Mr. Arista noted the idea for a BID was suggested several years ago by the City’s former Economic Development Director and has taken several years to get started. He referred to the Roger Brooks presentation two weeks ago, noting one of the things that resonated with the committee was programs such as BIDs or creating a downtown designation need to originate from the businesses or property owners. Another of Mr. Brooks’ key points was only a third of the businesses needed to buy into something like a downtown designation or a BID; the committee has garnered support for the BID from over 60% of the downtown businesses. He pointed out consultants charge thousands of dollars to implement programs like a BID; the organization committee has done it by volunteering their time.

He cited several reasons for creating an Edmonds BID:

- An attractive and thriving downtown is a crucial component to a vibrant community – it’s the heart and soul.
- An increasingly successful downtown increases tax revenues for the city.
- Funding initiatives through a BID helps businesses by making Edmonds the place where people choose to shop, eat, find professional services, and locate and conduct business.
- By working collectively, we accomplish more.

**Pam Stuller, Walnut Street Coffee**, explained her business has been operating in downtown Edmonds for 6½ years. She provided a map of the Edmonds Downtown BID boundaries, explaining the concept was to generally align with zoning districts BD1 and BD2. She reviewed the proposed assessment rates:

<b>Square Footage</b>	<b>“Open Door” Assessment</b>	<b>“By Appointment” Assessment</b>
<b>0-499</b>	\$90 per quarter (\$360 per year)	\$30 per quarter (\$120 per year)
<b>500-999</b>	\$105 per quarter (\$420 per year)	\$45 per quarter (\$180 per year)
<b>1000-1999</b>	\$120 per quarter (\$480 per year)	\$60 per quarter (\$240 per year)
<b>2000-4999</b>	\$135 per quarter (\$540 per year)	\$75 per quarter (\$300 per year)
<b>5000 and over</b>	\$150 per quarter (\$600 per year)	\$90 per quarter (\$360 per year)

She summarized the rates are very affordable. They spoke with many other BIDs while developing the proposal including the West Seattle and University District; the proposed Edmonds assessments are about 10% of what they charge businesses. The idea was if everyone pays a little, everyone will benefit a lot. There are approximately 350 businesses located in the BID; the annual budget would be \$80,000 - \$90,000. This will be an annual predictable, sustainable budget that will allow businesses to be more proactive and forward looking in their work to make Edmonds great.

The BID formation process has been underway for a couple years. They took petitions to businesses and met face-to-face with businesses in an effort to have as open and transparent of a process as possible. The committee’s outreach included:

- Met one-on-one with hundreds of fellow business owners
- Sent informational letters and press releases
- Hosted a public meeting
- Met with city staff, City Attorney and Councilmembers
- Presented to DEMA, Chamber and Rotary business organizations
- Garnered support via petitions – signatures of business owners representing over 60% of the total assessment within the BID

Ms. Stuller responded to questions that have arisen in the process:

- How is the BID proposed to be governed?
  - BIDs are not typically governed by the City Council but advised by Member Advisory Boards made up of business owners paying an assessment.
  - The goal is to have a representative Board comprised of retail and service businesses, small and large.
- How will assessment be collected?
  - The City will invoice members and collect the assessments on behalf of the BID.
  - The Finance Department assures it is a streamline process and will take only a limited amount of staff time.
- Does the Council control the spending?
  - While the City Council assures the BID is spending within the scope of purposes outlined through this process, under the RCW, the Council can contract with a Member Advisory Board to administer the fund.
  - The Member Advisory Board develops a work plan and the City Council approves it.

- Can Council change the BID area and/or rates after the BID is formed?
  - Changes must be initiated by City Council by resolution with notice to the affected BID members and only after conducting a public hearing. If members who will pay a majority of a proposed additional assessment support the changes, the changes can proceed.
  - BIDs are designed to be self-governed.

**Ken Grant, Motivated Branding**, explained he volunteered his services on the organizing committee due to his job building brands. The discussion regarding formation of a BID has been as open and transparent as possible. He clarified the BID is not about adding high rises to downtown Edmonds. The intent of the BID is to build a unified voice for businesses downtown. Although people say things about Edmonds like it's walkable, charming, we wouldn't live anywhere else, it's fantastic, etc., the one call-to-action that everyone knows Edmonds to be has not yet been identified. If the BID were to work with his firm or another branding firm, the first thing would be to continue the conversation. The BID is also not about building an Edmonds that no one could understand or stand. The BID brings the ability to build something that everyone can be proud of.

Mr. Grant explained the BID will be careful in establishing the one call-to-action for Edmonds. He urged the Council to approve the resolution because everyone is in this together, whether a service business or retail or in between, they are one voice moving toward a very relevant, very practical and sustainable future. If that is not done, the City will remain status quo, and that does not work.

Mr. Arista thanked Mr. Clifton for working with the Organizing Committee during the past two years, commenting the committee would not be where it is without him. He also thanked all the staff including Finance Director Shawn Hunstock and City Attorney Jeff Taraday, the Mayor, and the gals on the first floor who smile when they come in for their 8:00 meetings. He thanked the Council for listening to their presentation, noting everyone has the same goal in mind, to make Edmonds a great place to live and do business and he hoped the Council would approve moving forward with the creation of the Edmonds Downtown BID.

Councilmember Fraley-Monillas asked how the monies collected from the BID would be spent. Mr. Arista answered this is the organizing committee. Once the BID is created a board will be elected who will develop a work plan regarding how the monies would be spent. Councilmember Fraley-Monillas asked how other cities spend their BID money. Mr. Arista answered it depends on the BID's needs; the University District BID spends a lot of money on security and clean-up. The West Seattle Junction BID spends a lot of their money on marketing. The Downtown Seattle BID spends money on ambassadors as well as security. The Edmonds Downtown BID feels marketing is a key component of its expenditures as well as beautification, parking and signage.

Councilmember Fraley-Monillas asked if the city did the billing and collection of assessments for the other BIDs in the area such as University District, West Seattle Junction and Downtown Seattle. Mr. Arista answered it varies by BID. Some work in conjunction with the Chamber of Commerce, some hire someone to do the administration. He pointed out some of the other BIDs have huge budgets; the Edmonds Downtown BID will only have an annual budget of approximately \$80,000. He did not anticipate there being a paid administrative position to do billing and collection. Councilmember Fraley-Monillas asked if the cities of any of the other local BIDs collected the assessments. Mr. Clifton many BIDs have been contacted; under RCW 35.87A.130, the legislative body is the entity that creates the BID, the City collects the assessment on behalf of the BID. Those funds are put into a BID account within the City revenue account and the BID Member Advisory Board develops an annual plan that is submitted to City staff for review and to the City Council for approval. The plan will act similar to a department budget and the BID Member Advisory Board must spend the money in accordance with the plan. The BID will submit vouchers to verify expenditures according to the plan. The committee has been working with Mr. Hunstock to establish a process.

Councilmember Fraley-Monillas asked for the RCW regarding collection of assessments. City Attorney Jeff Taraday responded it is 35.87A.130.

Councilmember Fraley-Monillas referred to the BID boundary map, observing several businesses on 5<sup>th</sup> Avenue on the east side are not included. She asked how businesses became part of the BID, whether it was voluntary. Mr. Arista answered the map was created based on what most people consider downtown Edmonds and using the City's BD1 and BD2 zoning. Ms. Stuller explained the Council has the opportunity at this point of the process to tweak the boundaries if desired.

Councilmember Fraley-Monillas commented she found the Roger Brooks presentation fascinating; he gave a number of recommendations to downtown businesses, recalling a BID was one of his recommendations. She asked if Mr. Brooks' recommendations regarding bleed-out to other cities and business hours would be part of the BID. Mr. Grant responded because the organizing committee is comprised of business owners, they need to increase the reason to believe. Right now people come to Edmonds or go elsewhere for certain reasons. One of the things Mr. Brooks talked about and the key to branding is identifying the key differentiator, the reason someone would come to downtown Edmonds. Otherwise people will go to the nearest mall which is convenient, has lots of parking, and is open longer hours. He summarized downtown Edmonds needs to evolve and grow up; he recalled Mr. Brooks saying the downtown businesses need to come to consensus regarding the number one reason people will come downtown rather than shopping online or going to another city. Although some may say single owner operated service businesses do not care about a BID, most people do care that their business is located in Edmonds. He summarized a greater reason for people to believe in Edmonds needs to be determined, Edmonds needs to be better than just great.

Councilmember Fraley-Monillas said she was surprised to hear talk about building heights, she had not heard that said in connection with the BID. Mr. Arista and Mr. Grant assured the BID was not interested in increasing building heights.

Councilmember Buckshnis thanked Mr. Clifton for the information contained in the Council packet. She suggested putting the BID presentation on the City's webpage to help answer the public's questions. She advised Roger Brooks' presentation will soon be aired on Channels 21 and 39. She commended the members of the committee who took the time to meet with her and answer her questions. She expressed her support for forming a BID.

Councilmember Buckshnis asked whether Councilmembers who could be part of the BID area should recuse themselves from the vote. Mr. Taraday answered no; they are not voting on a contract, it is a resolution. His research found out of state cases that clearly indicated this is not a situation where beneficial interest is a concern.

Councilmember Petso assumed this process would move ahead and a public hearing would be held. She requested the people working on the BID and the people who develop projects and submit budgets be aware of the limitations of the statute. The statute authorizes specific things the BID can do; building heights is not on the list. Some fears can be addressed by acknowledging the things that can be done are limited and if the BID pledges to adhere to the list. Mr. Clifton referred to a section on page 6 of the BID Committee report entitled next steps. He noted this is only a resolution initiating the process. Step 2 will be a resolution establishing the intent to establish a BID; at that meeting the Council will select a date and time for the public hearing. He recommended holding the public hearing in January. The City will notify all businesses within the BID of the public hearing; there are specific guidelines regarding the timing and wording of notices. A section on page 5 of the BID Committee report entitled programs and services lists in detail what the BID intends to spend the money on. He emphasized building heights are not included on the list.

Councilmember Bloom commented she has met with Mr. Arista and Ms. Sneeringer and has a lot of questions. She intends to support the resolution so that a public hearing can be held. She noted that she is a service business owner in downtown Edmonds; the amount she would be assessed is the lowest assessment. Although the expense to her business is a non-issue, her concern is how the money will be spent, as a business owner as well as a Councilmember. Although it is a small amount, her biggest concern is the money will not be allocated fairly throughout the City and she feels the entire City needs to be developed.

For Councilmember Bloom, Mr. Clifton explained the RCW references two percentages, 50% and 60%; the BID chose to reach the 60% threshold; signatures represent 60% of the total assessment that will be collected on an annual basis.

Councilmember Bloom relayed her understanding that square footage was selected because it was the only way the assessment could be easily done. She did not find square footage a fair way to assess fees. She recognized the assessment was divided between walk-in and appointment businesses in an effort to be fair and asked if there was a way to do a more fair and balanced assessment that would reflect profits. For example, the theater is a large facility and will be assessed a high amount, yet it is barely breaking even because they have been wonderful to the community and have not raised ticket prices. Mr. Arista answered basing the assessment on square footage was the best way because there are records of that information. If the assessment was based on sales, it was feared businesses would not be truthful in order to pay a lower assessment. There is no way to force businesses to divulge their sales numbers.

Councilmember Bloom pointed out square footage is not a fair way to do the assessment because it has nothing to do with a business' profits. Mr. Clifton explained the BID committee has discussed this. Cities are not allowed to release individual profit statements from businesses and it is very unlikely businesses would appreciate their profits and losses being shared with the public. It would be an undue burden on businesses to divulge how much they make, spend, etc. as that information would then be available to their competitors, putting them at a disadvantage.

Councilmember Bloom referred to a statement on the website that the members of the board will oversee all BID operations and finances will be handled by a paid administrator. She recalled in her conversation with members of the committee that the BID may hire someone for \$12,000 and possibly partner with the Chamber of Commerce. Mr. Arista answered that is a way that some other BIDs operate. Once the BID is created and a board elected by the members of the BID, the board will decide how to implement administration. He did not anticipate the BID could afford to pay an administrator; they wanted to spend the money on programs. The Member Advisory Board will be a working board that designs and implements programs and ensures revenues are spent wisely.

Councilmember Bloom observed since this is a newly created public organization, it will be subject to public records requests, public meeting announcements, etc. She asked who will do announcements, prepare minutes, etc. Mr. Clifton answered the BID Member Advisory Board will be responsible for verifying all expenditures and how they meet the intent and expenditure allocations established by the annual business plan that will be reviewed by staff and approved by City Council. An ordinance that will be presented to the City Council as part of the public hearing will include reporting mechanisms, such as on a quarterly basis to the City Council. The BID will be responsible for preparing announcements and meeting minutes. He referred to their website, EdmondsBID.org.

Councilmember Bloom observed the website stated the Advisory Board will include members of the Chamber and Downtown Edmonds Merchant Association. She asked how many members there will be, how many will be voting members, etc. Mr. Arista answered that has not yet been worked out. A decision has not been made regarding the size of the board or the number of retail or service businesses. There will



be an election and anyone wishing to serve on the Advisory Board can apply. The Chamber member would be an advisory position. He envisioned the Chamber and BID possibly cooperating on marketing efforts, grants, etc. They hoped to cooperate with any pro-business organization in Edmonds, even the hospital foundation. Mr. Clifton explained the intent is to have a representative board; once the BID is established, the number of open door and by appointment businesses will be determined and that will reflect representation on the board. For example if there are 40% service businesses, 40% of the board members would be service business owners.

Councilmember Bloom commented there are a number of businesses on the list who have suffered a significant reduction in business as a result of the Main Street project. She asked whether they had been polled regarding their continued interest in the BID, noting some of the most affected businesses would pay the higher rate. Mr. Arista answered they have not. He anticipated those businesses would be supportive of anything that generated more business for them.

Councilmember Bloom commented service businesses such as hers receive no benefit from the BID and there are a number of other service business owners who are in the same position. She observed there are no service business owners on the organizing committee. She asked how businesses who are not supportive of the BID, did not sign the petition but will be assessed will be involved in the BID. Mr. Arista answered everyone within the geographical boundary who is assessed can be involved and it is hoped all the members of the BID will participate. If they felt they were not receiving benefit from the BID, it would be a great opportunity for them to attend meetings or join the board so that ways they benefit can be determined. The goal is for everyone to be successful, participate, be part of the team; if everyone is growing, everyone benefits. Like anything, participation is necessary to gain. He noted Councilmember Bloom and he had a difference of opinion regarding who benefits from the BID; many service businesses feel there are benefits to them and they want to participate in the BID.

Councilmember Bloom asked why the Salish Crossing property was not included in the BID. Mr. Arista answered at the time signatures were being gathered, he did not feel the former property owners wanted to be part of the BID. If the Council wishes, the BID boundaries could be expanded to include that property. The new owners may want to be part of downtown; it was felt the previous property owners did not want to be part of anything. He noted the Skippers property is in the BD1 zone but the Salish Crossing property is not in either the BD1 or BD2 zones.

Councilmember Yamamoto commented when he was a downtown business owner, he was involved with the formation of a BID. He liked what they have presented and found it very clear. This is the perfect venue for generating revenue, particularly during a time when business is down.

**COUNCILMEMBER YAMAMOTO MOVED, SECONDED BY COUNCILMEMBER JOHNSON, TO APPROVE RESOLUTION 1284, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EDMONDS, WASHINGTON, INITIATING A PROPOSAL FOR A BUSINESS IMPROVEMENT DISTRICT WITHIN A PORTION OF THE CITY OF EDMONDS**

Councilmember Johnson thanked Mr. Arista and the other members of the organizing committee for the excellent job they have done. She supported the concept of a BID, noting the devil was in the details and there are a lot of details to be worked out. Having business owners promote their own businesses and work together as a unit is exactly what the City needs. As a longtime member of the community, she recognized the character of Edmonds has definitely changed. Before the mall, it was the small city where nearly everything could be purchased. Times have changed and the businesses have changed; there needs to be a more flexible response to the market and the business owners can determine what that is. She hoped all the details could be worked out by the time an ordinance was proposed.

Council President Peterson expressed his support for the BID, advising he is a downtown business owner and will be in the BID if approved. He recalled Roger Brooks stating this is the time businesses cannot rely on city government to take the first steps to enhance the community; this is a perfect example of businesses taking the first step, assessing themselves for a better result as a whole. He pointed out the high percentage of downtown business owners who are also residents of Edmonds, a testament to what has been created so far and what the BID would be a catalyst for. The goal of the BID is to help businesses make money as well as help the community become more vibrant. He applauded the efforts of the BID organizing committee, Mr. Clifton and Mr. Clifton's predecessor Jennifer Gerend.

**THE VOTE ON THE MOTION CARRIED UNANIMOUSLY.**

**7. NONREPRESENTED COMPENSATION POLICY**

Parks & Recreation/Interim Human Resources Reporting Director Carrie Hite explained the City engaged a compensation consultant last year who worked on salary surveys, surveying compensation policies of comparator cities and job description updates. The consultant presented information to the Council in July and September. When the Nonrepresented Compensation Policy was presented to the Council two weeks ago, the Council chose not to take any action and to await further Council comments on the compensation policy. She referred to the table in the packet entitled Nonrepresented Employee Compensation Policy Consultant and Council Comparison. She explained the first column is the compensation consultant's recommendation and the Mayor's original proposal. The middle column is the result of her meeting with Councilmembers Buckshnis and Petso; following the November 6 meeting, Councilmember Bloom supported that recommendation. The third column is Mayor Earling's compromise recommendation which Council President Peterson and Councilmember Yamamoto also support.

<b>Section</b>	<b>Compensation Consultant/Mayor's Recommendation</b>	<b>Councilmembers Petso, Buckshnis and Bloom</b>	<b>Mayor/Council President Peterson Recommendation, Councilmember Yamamoto</b>
<b>Policy Statement</b>	Ensure salaries are equitable	Strive to maintain equity	Strive to maintain equity
<b>Salary Range Progression</b>	5% step increase after 6 months successful probation.  5% Step increase after one year, with satisfactory performance, and every year after that until at maximum salary range.  Automatic with above formula	Completion of 6 months of probation, then 5% step increase in the following January, and every January after that until employee reaches maximum range.  Proposed as part of budget, and subject to Council approval.	5% step increase after 6 months of probation, then the January following one year anniversary, and every January after that until employee reaches maximum salary range.  Automatically made part of the Mayor's budget
<b>Promotion</b>  Nonrepresented job to nonrepresented job	Receive an increase not less than 5%, or adjusted to the minimum salary level of the new position, whichever is greater.	Placed on first step of new range, or lowest step of new range that results in an increase in current salary ( no minimum)	The employee will get the lesser of 5% increase or the amount to get them onto a step. After that, it would follow the Salary Range Progression plan.

Represented job to nonrepresented job	Same as above, and consideration of other cash compensation being received in former position	Same as above and consideration of other cash compensation being received in former position	Same as above, and consideration of other cash compensation being received in former position.
<b>Annual Salary Adjustment</b>	<p>Salary ranges will be adjusted at a rate no less than the average adjustment negotiated and approved for represented employee groups.</p> <p>City will maintain a minimum of a 10% increment between the salary ranges at midpoint of supervisor classifications and those being supervised.</p> <p>Every three years, based upon the survey data, salary ranges for Nonrepresented positions will be realigned, based on criteria.</p>	<p>Mayor will consider the average adjustment negotiated and approved for represented groups, and will make recommendation to Council for approval in budget process.</p> <p>Mayor will make appropriate and timely recommendations to City Council to maintain internal equity and prevent compression issues.</p> <p>Every three years, based upon the survey data, the Mayor will recommend salary range market adjustments to Council based on criteria.</p>	<p>Mayor will include annual salary adjustments in the budget that are no less than the average adjustment negotiated and approved for represented employee groups. Budget is subject to Council approval.</p> <p>Mayor will include appropriate adjustments in the budget that will mitigate any compression issues and strive to maintain equity.</p> <p>Every three years, based upon the survey data and criteria, the Mayor will adjust salary ranges for Nonrepresented positions as part of the budget process.</p>
<b>External/Internal Equity</b>	<p>To be more competitive in the market place, the City will provide:</p> <p>Deferred Compensation 2% and/or Management Leave, 40 hours</p> <p>Longevity incentive pay, consistent with all represented groups.</p> <p>Commissioned Police management : Educational Incentive Pay</p> <p>Employment Contract</p>	<p>Delete all, and add:</p> <p>Mayor will make appropriate and timely recommendations to City Council to consider changes to the compensation and/or benefits of non-represented employees.</p>	<p>To be more competitive and equitable both internally and externally, the City will provide:</p> <p>Management leave of up to 24 hours per year, on a use it or lose it basis, to nonrepresented employees that are not eligible for compensatory time.</p> <p>Longevity incentive pay that is consistent with all represented groups.</p>

Councilmember Fraley-Monillas commented the third column is not necessarily a compromise from the first column.

Councilmember Yamamoto commented the recommendations on the first four tenets are fairly similar with only minor changes in verbiage. He agreed further discussion was necessary on the internal/external equity.

### Policy Statement

**COUNCILMEMBER PETSO MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO ADOPT THE POLICY STATEMENT THAT APPEARS TO BE A CONSENSUS STATEMENT, STRIVE TO MAINTAIN EQUITY. MOTION CARRIED UNANIMOUSLY.**

### Salary Range Progression

**COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE COMPROMISE RECOMMENDATION (THIRD COLUMN).**

Councilmember Buckshnis commented the only difference between her, Councilmembers Petso and Bloom's suggestion was the employee would wait until the following January for the 5% increase; in the Mayor, Council President Peterson and Councilmember Yamamoto's recommendation, the 5% increase is given at 6 months and the employee then waits another year. She summarized that was fairly similar and she had no problem with the compromise. Ms. Hite agreed with Councilmember Buckshnis' summary.

Councilmember Fraley-Monillas also found the compromise acceptable. The State follows the method recommended by Councilmembers Buckshnis, Petso and Bloom.

Councilmember Petso pointed out one of the reasons they developed their version was a request from Ms. Hite to have all adjustments occur in January. If the third column is approved, the six month periods do not align.

Councilmember Bloom recalled a question Councilmember Petso asked via email whether there was any difference in the cost between columns 2 and 3. Ms. Hite answered there is no difference in the cost; there is a difference in the timing of the cost. The Mayor Earling/Council President Peterson/Councilmember Yamamoto proposal gives a new employee a step after their 6 month probation and then they wait until the January after a year for their next step. She summarized it could be up to 1½ years before their next step. In the Councilmember Petso/Buckshnis/Bloom proposal, an employee would complete their probationary period and not have a step at that point but would realize a step the following January. Currently, consistent with other employees, every employee gets a step after 6 months. Mayor Earling's proposal considered consistency with other employees. It is also easier for Human Resources and Finance to manage.

**THE VOTE ON THE MOTION CARRIED (6-1), COUNCILMEMBER BLOOM VOTING NO.**

### Promotion

**COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER YAMAMOTO, TO APPROVE THE COMPROMISE RECOMMENDATION (COLUMN 3).**

Councilmember Bloom inquired about the cost. Ms. Hite answered the two proposals are nearly identical. The difference in the Mayor/Council President Peterson/Councilmember Yamamoto proposal is it adds a sentence that could be given in the Councilmember Petso/Buckshnis/Bloom proposal, that the employee goes into the new position at a step above their current position but not a minimum of 5% and after that they follow the salary range progression model. Currently an employee gets a minimum of a 5% step when they are promoted. There is no additional cost; it is a clarification that once an employee is promoted, they follow the salary range progression after the first step in their new position.

**THE VOTE ON THE MOTION CARRIED UNANIMOUSLY.**

### Annual Salary Adjustment

Councilmember Fraley-Monillas supported the Councilmember Buckshnis/Petso/Bloom proposal that has the Mayor make a recommendation to the Council for approval in the budget process. The compromise

automatically includes annual salary adjustments in the budget and adjusts it to what is negotiated with the unions. She did not feel that was appropriate; nonrepresented employees should come to the Council to determine if there are adequate funds in the budget.

**COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE COUNCILMEMBER BUCKSHNIS/PETSO/BLOOM RECOMMENDATION (COLUMN 2).**

Councilmember Fraley-Monillas expressed concern with doing a salary survey every three years as the City may not be able to afford to do that. She recognized future surveys would be less expensive because of the major salary survey that was just completed. Ms. Hite advised the compensation consultant provided the complete template of information he developed for use in future surveys.

Councilmember Buckshnis recalled Mr. Taraday provided information on the potential for a conflict of interest with a director who is assisting with union negotiations. Mr. Taraday responded this issue would not necessarily apply to all nonrepresented employees as only a few are involved in the bargaining process. With respect to that few and to the extent the Council was concerned with that potential connection, they could do something different. He did not have a personal opinion regarding how it should be addressed; he only wanted the Council to be aware of that connection.

Council President Peterson spoke in favor of the compromise recommendation, pointing out the Council always has budgetary authority with regard to final approval of the Mayor's proposal. It is the Mayor's job to develop the preliminary budget and the Council's job to make changes to it.

Council President Peterson asked Ms. Hite to comment on the possible conflict of managers or directors involved in negotiations. Ms. Hite responded in her experience in the two other cities she has participated on negotiating teams, the nonrepresented population was always treated very similarly to the represented position and tied to their increases. The Council is the body that sets the parameters for negotiations; the directors or negotiating team do not set the parameters.

Councilmember Petso spoke in favor of the motion on the grounds of transparency. Rather than the Mayor giving raises as needed to mitigate compression, the Mayor will make a recommendation which at least gives the Council an opportunity to inquire about the cost to mitigate compression issues. That extra step is more transparent to the public and would give a better feel for what is being done.

Councilmember Bloom expressed support for the motion. She preferred not to include language that the Mayor will always do something as the City may not always be able to afford it. She felt it was a big mistake to say the Mayor will do something based on represented employee's salaries.

Councilmember Fraley-Monillas expressed concern with the language that the Mayor will include annual salary adjustments in the budget that are no less than the average adjustment negotiated and approved for represented employee groups and the budget is subject to Council approval. She was concerned with how an average adjustment would be determined. She clarified she was not saying the nonrepresented employees did not deserve the money but she preferred the Mayor inform the Council of the amount.

**COUNCILMEMBER JOHNSON CALLED FOR THE QUESTION. MOTION DIED FOR LACK OF A SECOND.**

Mayor Earling pointed out one of the premises he tried to achieve with his recommendation, which was supported by Council President Peterson and Councilmember Yamamoto, was the issue of equity. That is an issue that has been an irritant at times to the nonrepresented employees; sometimes they feel they are held hostage simply because they do not have a union agreement that guides the steps from year to year. Sometimes there is a question regarding the integrity of the process of negotiations; he said the staff

involved in negotiations this year has been very disciplined and followed the parameters established by the Council. Any potential deviation has been proposed to the Council for further advice.

Councilmember Fraley-Monillas echoed Mayor Earling's comments with regard to the directors who were part of negotiations this year.

Council President Peterson commented that allowing the Mayor to include annual salary adjustments in the budget allows for more accurate forecasting. For example, if the City negotiates a 3-year contract, there is a better awareness of what nonrepresented salaries could be. They can be changed because the Council has that authority. Ms. Hite commented another way annual salary adjustments can be identified in the budget is tied to the CPI rather than average increases of represented employees.

Councilmember Buckshnis commented if this policy is not workable, it can be amended next year. This year the Council had to ask what increase was included for nonrepresented employees; this recommendation requires the Mayor to inform the Council.

**THE VOTE ON THE MOTION CARRIED (5-2), COUNCIL PRESIDENT PETERSON AND COUNCILMEMBER YAMAMOTO VOTING NO.**

External/Internal Equity

**COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER YAMAMOTO, TO APPROVE THE COMPROMISE LANGUAGE (COLUMN 3).**

Councilmember Buckshnis asked the amount of annual vacation directors receive. Ms. Hite answered directors receive 176 hours/year from 0-25 years.

Councilmember Fraley-Monillas spoke in opposition to the compromise. She preferred the Mayor make the recommendations on an annual basis for Council consideration. She was not comfortable with arbitrarily including it for a large group of employees. Ms. Hite answered 20 employees would be affected. She relayed the recommendation was management leave up to 24 hours/year on a use it or lose it basis and longevity incentive pay consistent with all represented groups.

For Councilmember Petso, Ms. Hite said the longevity incentive pay is not included in the 2013 budget. The cost is \$33,000 in 2013. The management leave does not impact the budget. Councilmember Petso observed the compensation consultant's recommendation was deferred compensation of 2%; she asked whether the union contracts were all the same or were they as high as 4%. She noted the payroll in the Council packet shows longevity pay of 4%. Ms. Hite commented longevity pay is different for Teamsters, SEIU, Police and Law Support. All provide longevity pay; it ranges from 10 to 15 to 20 years and ranges from 2% to 5%. Councilmember Petso asked whether the unions were all on the same schedule. Ms. Hite answered they are all different. Councilmember Petso commented this schedule could not be implemented because of the different percentages. Ms. Hite answered the Teamsters and SEIU are the most similar; the Police and Law Support are different.

Councilmember Johnson commented there are 20 employees who would benefit from management leave; each employee works very hard for the City and would greatly benefit from management leave. The ones who work the hardest probably would not be able to use it. Longevity pay is a separate issue and she preferred to separate that from management leave. If the Councilmember Buckshnis/Petso/Bloom option is approved, it basically defers the decision to another time. If the Mayor Earling/Council President Peterson/Councilmember Yamamoto option is approved, the decision on management leave and longevity incentive pay is combined.

Councilmember Fraley-Monillas agreed longevity pay is a separate issue.

**COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCIL PRESIDENT PETERSON, TO SEPARATE LONGEVITY INCENTIVE PAY AND MANAGEMENT LEAVE. MOTION CARRIED UNANIMOUSLY.**

#### Management Leave

Councilmember Buckshnis asked whether only directors received 176 hours of vacation/year. Ms. Hite answered yes. Other nonrepresented employees' vacation is graduated based on years of service. The intent of the compensation consultant related to management leave is there are 40 nonrepresented employees, 20 of which are eligible to accrue comp time up to 48 rolling hours a year. Those employees were not included in the discussion regarding management leave. The compensation consultant's recommendation was there is another set of nonrepresented employees who work a lot of hours; comparable cities offer management leave. She confirmed there are five directors.

Councilmember Fraley-Monillas clarified the 20 employees are not all at the director level. Ms. Hite clarified they are nonrepresented employees who are not eligible for comp time. Councilmember Fraley-Monillas agreed with the recommendation for management leave, noting time away from work is more valuable in most cases than pay. She supported management leave, cautioning it could be expected to arise in contract negotiations with represented employees in future years. She concluded the "bullet was worth taking on this one" to compensate them with 24 hours of comp time a year. Ms. Hite responded it is not quite the same issue as all represented employees are eligible for overtime, comp time and extra hours. Comparable cities that provide management leave treat it very differently.

Councilmember Petso asked if management leave was in addition to sick leave, vacation and holidays. Ms. Hite answered yes; it is considered a different type of leave. Councilmember Petso asked the number of days an employee could be away from work with the addition of management leave. Ms. Hite answered it depends on the amount of vacation they receive, employees receive up to 8 hours of sick leave per month, the management leave is a use it or lose it/cannot cash it out. Exempt and nonrepresented employees are at work until the job is done whether they are on vacation or not.

Councilmember Yamamoto supported management leave, noting nonrepresented staff put in a lot of hours with no additional compensation. The 24 hours of management leave represents 3 days; it will still need to be approved; it will not cause chaos; it does not cost anything; and it will be good for morale.

Councilmember Fraley-Monillas assumed it would not cost overtime for an employee to take the 24 hours of management leave. Ms. Hite answer it would not.

Council President Peterson restated the motion as follows:

**APPROVE MANAGEMENT LEAVE OF UP TO 24 HOURS PER YEAR ON A USE IT OR LOSE IT BASIS TO NONREPRESENTED EMPLOYEES WHO ARE NOT ELIGIBLE FOR COMPENSATORY TIME.**

**THE VOTE ON THE MOTION CARRIED (6-1), COUNCILMEMBER PETSO VOTING NO.**

#### Longevity Incentive Pay

**COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER YAMAMOTO, TO GIVE NONREPRESENTED EMPLOYEES LONGEVITY INCENTIVE PAY CONSISTENT WITH ALL REPRESENTED GROUPS.**

Council President Peterson explained while some issues can be considered on an annual basis, longevity incentive pay helps attract and retain employees. Many comparable cities have longevity incentive pay. Longevity incentive pay provides internal equity by compensating employees for stepping into management ranks.

Councilmember Fraley-Monillas commented the City did not have a retention issue in the nonrepresented employees. Ms. Hite answered there is quite a lot of tenure in the City. The compensation consultant recognized that long tenure and in the process of adopting new salary ranges, the earning potential for existing employees was reduced. That was one of the impetuses for recommending longevity pay.

Councilmember Fraley-Monillas questioned how longevity pay could be consistent with all represented groups when the percentage varied by union. Ms. Hite answered longevity pay has been set for quite some time in negotiated contracts; it does not increase in every negotiation. If the Council was interested in the philosophy of longevity pay for nonrepresented employees, she could return with a recommendation regarding a level of longevity pay that is consistent with some unions. Councilmember Fraley-Monillas pointed out although longevity pay is not currently increased in every negotiation, it could be in the future. She preferred another level of benefit be provided to nonrepresented employees instead of tying it to represented groups. She did not support the motion.

Councilmember Buckshnis did not support the motion and recommended the Finance Committee discuss this in more detail and bring it back to the Council next year. She wanted to approve the Nonrepresented Compensation Policy tonight.

Council President Peterson explained the intent of his motion was to determine whether a majority of Councilmembers were interested in longevity pay.

**THE VOTE ON THE MOTION FAILED (2-5), COUNCIL PRESIDENT PETERSON AND COUNCILMEMBER YAMAMOTO VOTING YES.**

Councilmember Fraley-Monillas asked the cost of longevity pay. Ms. Hite answered Mr. Hunstock estimated it today using the longevity pay for SEIU employees at \$33,000/year.

**COUNCILMEMBER FRALEY-MONILLAS MOVED TO GIVE NONREPRESENTED EMPLOYEES DEFERRED COMP SPLIT UP BY THE \$33,000 ITSELF AND IF THE COUNCIL WISHED, IT COULD GO BEFORE THE FINANCE COMMITTEE. MOTION DIED FOR LACK OF A SECOND.**

**COUNCILMEMBER PETSO MOVED, SECONDED BY COUNCILMEMBER BLOOM, TO APPROVE COLUMN 2 REGARDING THE LONGEVITY INCENTIVE PAY ISSUE AND THE MAYOR MAKE APPROPRIATE AND TIMELY RECOMMENDATIONS TO CITY COUNCIL TO CONSIDER CHANGES TO THE COMPENSATION AND/OR BENEFITS OF NONREPRESENTED EMPLOYEES.**

Councilmember Petso spoke in favor of the motion, noting some Councilmembers wanted more information and some wanted to have it reviewed by the Finance Committee. The language that the Mayor will make appropriate and timely recommendations seems to allow the flexibility to bring this back when the Council is ready to deal with it.

Council President Peterson asked for clarification, whether the Mayor would propose this annually or return to the Council with a more detailed description of longevity pay. Councilmember Petso answered the original intent was to leave it in the hands of the Mayor to make the appropriate and timely recommendations for changes in compensation and/or benefits. She assumed that would follow the usual channels, either in the budget or through the Finance Committee.



Councilmember Fraley-Monillas expressed concern that the language, the Mayor will make appropriate and timely recommendations to City Council to consider changes in the nonrepresented policy, does not indicate how that would be done. For example, he could recommend each one be given a car.

Mayor Earling commented Column 2 opens a Pandora's box; he preferred the Council focus on longevity pay and if necessary have the Finance Committee review it.

Councilmember Buckshnis suggested the Finance Committee discuss longevity pay and provide a recommendation to Council.

**THE VOTE ON THE MOTION FAILED (2-5), COUNCILMEMBERS PETSO AND JOHNSON VOTING YES.**

**COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER PETSO, TO PASS THE NONREPRESENTED POLICY, AND IN THE COMING YEAR, THE FINANCE COMMITTEE TAKE UP SOME OTHER LEVEL OF COMPENSATION FOR THE NONREPRESENTED EMPLOYEES.**

Councilmember Fraley-Monillas commented the Finance Committee cannot change the fact that the Council is not interested in longevity pay for nonrepresented employees as indicated by the Council's vote on the matter. The Finance Committee can consider other ways to spread this money to nonrepresented employees.

Mr. Taraday suggested the policy come back to the Council in the form of a resolution or ordinance that reflects the motions adopted, and that staff provide a clean Nonrepresented Compensation Policy for official adoption. Ms. Hite agreed, her intent is to incorporate the language adopted tonight into the policy and bring it back for adoption by Council via resolution or ordinance.

**THE VOTE ON THE MOTION CARRIED (6-1), COUNCILMEMBER JOHNSON VOTING NO.**

## **8. REVIEW OF NONREPRESENTED JOB DESCRIPTIONS**

Ms. Hite referred to the memo outlining previous Council action regarding this topic. Since September, the Personnel Committee, comprised of Councilmembers Johnson and Bloom, have been meeting regularly with her and Human Resources Manager Mary Ann Hardie to review the nonrepresented job descriptions. The nonrepresented job descriptions were updated by the consultant in response to a WCIA audit finding regarding outdated job descriptions and personnel policies. She referred to a list of changes made to the nonrepresented job descriptions by Councilmembers Bloom and Johnson. She explained the red comments on the list of changes are Mayor Earling's responses; the yellow highlighted language is agreed upon language as a result of a meeting between Councilmembers Bloom and Johnson and Mayor Earling.

Councilmember Bloom asked for confirmation that oversight of job descriptions is Council authority, relaying that she and Councilmember Johnson have been accused of micromanaging and nitpicking related to the job descriptions. Mr. Taraday referred to RCW 35A.11.020 which states in part, "*The legislative body of each code city shall have power to organize and regulate its internal affairs within the provisions of this title and its charter, if any; and to define the functions, powers, and duties of its officers and employees; within the limitations imposed by vested rights, to fix the compensation and working conditions of such officers and employees and establish and maintain civil service, or merit systems...*" Mr. Taraday explained the RCW does not expressly state job descriptions but "functions, powers and duties" is similar to job descriptions.

Councilmember Bloom explained Councilmember Johnson and she reviewed the job descriptions, looking for issues of concern. Her concerns were focused on legal signing authority. She was surprised to find at least one job description stated “reviews and updates City codes.” She pointed out updating of City codes is a Council responsibility. That language was changed to “reviews and recommends updates to City codes.” She noted job descriptions have not been updated since 1995. They were able to reach compromise by meeting with Mayor Earling.

Councilmember Bloom referred to Change #14 – Revised wording in Senior Planner, Associate Planner and Senior and Engineering Program Manager job descriptions regarding code updates/changes to “Prepares and maintains a variety of records and reviews related to assigned activities; updates or makes recommendations regarding policy or code changes to the department head as necessary.” Councilmember Bloom asked that the following additional change be made: insert “recommends” prior to “updates,” and remove “or makes recommendations.” Ms. Hite agreed to make this change.

Councilmember Johnson explained this was a very productive and collaborative process. She thanked Ms. Hite and Ms. Hardie for their contributions and Councilmember Bloom for her leadership. Her area of interest was consistencies in director, manager and supervisor job descriptions. She recommended the Council approve the updated job descriptions, noting this is a giant leap forward since the descriptions were last updated in 1995. All City staff will benefit from the job description update.

**COUNCILMEMBER JOHNSON MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO APPROVE THE JOB DESCRIPTIONS AS HAVE BEEN NEGOTIATED BETWEEN THE TWO COUNCILMEMBERS AND ADMINISTRATION.**

Councilmember Fraley-Monillas asked whether there was agreement between both Councilmembers and the Mayor on all the changes. Councilmember Johnson answered yes.

Mayor Earling commented Mr. Taraday and he do not completely agree on the meaning of the RCW.

**MOTION CARRIED UNANIMOUSLY.**

## **9. PERSONNEL POLICY REVIEW**

Ms. Hite explained the City received a WCIA audit finding in 2010 in regard to the outdated Personnel Policies; the policies had not been updated to reflect updated state and federal language, state leave mandates, etc. A memo in the Council packet outlines and summarizes all the significant changes. She distributed pages 23 and 25, highlighting an additional change. The personnel policies were inconstant with regard to time sheets. The language on page 23, “Formal time records for hours worked and discretionary time off will not be maintained, and the City shall not be liable for any pay beyond the employee’s normal monthly salary,” was deleted. Page 25 states employees will maintain a time record.

Mayor Earling explained the intent was for the Council to adopt the policy tonight in order to meet the WCIA deadline. The City has not updated the policy for a long time and many of the changes are driven by changes in state and federal mandates.

**COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO APPROVE THE PERSONNEL POLICY.**

Councilmember Buckshnis asked whether the added information could potentially harm the City due to pending lawsuits. City Attorney Jeff Taraday did not recommend discussing any pending litigation in open session. He did not think there was any harm in adopting the Personnel Policy update and in fact would recommend the sooner the policy is adopted the better from a legal protection standpoint because

the current policies are significantly out of date. Updating the policy would not have any negative or positive effect on pending litigation.

Councilmember Buckshnis commented former Councilmember Wilson and she attempted to get the former Human Resources Director to update the Personnel Policy but she was too busy. She asked whether any litigation would be under by the old policies. Mr. Taraday answered yes.

Councilmember Johnson asked whether the language on page 23, "Department Directors and Division Managers will work under an informal honor system for discretionary time off," was necessary with the Council's adoption of management leave. Ms. Hite responded that sentence refers to an RCW and City Code regarding exempt employees. It does not need to be stated in the Personnel Policy.

Councilmember Johnson observed there was a difference between management leave and discretionary time off such as coming in late the morning after a night meeting, etc. Ms. Hite answered that language was different from management leave. The purpose of exempt employees in the City Code and RCW is completing the job no matter if it takes 40, 50, 60 hours. An employee coming in late the morning after a night meeting is not using management leave. She offered to mirror the language in the RCW or in the City Code.

Councilmember Fraley-Monillas asked when the findings were made. Ms. Hite answered the WCIA finding was in fall 2010. The City had until the end of 2011 to submit the update and was granted an extension until the end of 2012. Finance Director Hunstock clarified the language change on page 23 was an exit item from last year's financial statement audit.

**THE VOTE ON THE MOTION CARRIED UNANIMOUSLY.**

**10. REPORT ON OUTSIDE BOARD AND COMMITTEE MEETINGS**

Councilmember Yamamoto reported SnoCom continues to work on the New World dispatch system. The Port has been working on their request to incorporate the Port's Harbor Square Master Plan into the City's Comprehensive Plan.

Councilmember Buckshnis reported WRIA 8 is working on federal and state priorities; she has provided information to the City's lobbyist, Mike Doubleday, regarding support for the \$80 million Puget Sound Acquisition Restoration (PSAR) that provided funding for the Edmonds Marsh feasibility study. Consideration is also being given to forming a tax district based on watersheds instead of individual WRIAs. WRIA 8 also had a presentation regarding the impact of climate on estuaries and rivers.

Councilmember Bloom reported the SeaShore Transportation Committee worked on their recommendations to the legislature regarding transportation funding. They also voted to continue the SeaShore Transportation Committee; some other transportation committees have decided not to continue.

Councilmember Bloom reported the Tree Board began their discussion regarding the Tree Code. The Economic Development Commission talked about the Roger Brooks presentation and limiting uses in the BD1 zone.

Mayor Earling reported as of May 1, 2013, there will be 103 additional Sound Transit parking stalls at the commuter rail station. Sound Transit and Salish Crossing have reached an agreement to make 50 parking stalls available as of December 1, 2012.

**11. MAYOR'S COMMENTS**

Mayor Earling thanked the Chamber and others who participated in the tree lighting ceremony and the sing-along at the Edmonds Center for the Arts. It was a fabulous event; he estimated there were 3,000 –

4,000 people around the Christmas tree. He complimented the Chamber and City staff who organized that event.

Mayor Earling reported the completion of the Main Street project is getting closer. He was hopeful the project would be almost completed by tomorrow.

**12. COUNCIL COMMENTS**

Councilmember Johnson reported the tree lighting was a wonderful community event.

Council President Peterson reported the lack of sound in the video of last week's Council meeting was due to technical difficulties following a power outage.

Council President Peterson invited Councilmembers to submit agenda items for the Council retreat in early February as well as their preferences for committee assignments.

Councilmember Buckshnis relayed the Edmonds Amtrak Station and Swamp Creek and Western Railroad Association will hold their 14<sup>th</sup> annual holiday open house on Saturday, December 1 from 9:00 to 3:00, Santa will be there from 9:00 to 12:00 and Fire District 1 will collect toys and non-perishable food during the event.

Councilmember Fraley-Monillas agreed the tree lighting was fabulous, commenting it attracted more people than the past two years.

**13. ADJOURN**

With no further business, the Council meeting was adjourned at 9:56 p.m.